

## 8420 State Compensation Insurance Fund

The mission of the State Compensation Insurance Fund is to:

- Provide California employers with a permanent market for workers' compensation insurance protection at cost with no financial obligation to the public.
- Compete fairly with other insurers and, by example, set the standard for fair premium rates, financial integrity, excellence in customer service and impartial treatment of injured workers.
- Assist employers in providing safe places to work. When a worker is injured, help restore that person to a useful place in the economy.

Pursuant to Insurance Code, Section 11871, claims against the uninsured state agencies are adjusted by State Compensation Insurance Fund under a Master Agreement with the Department of Personnel Administration. Adjustment costs and other administrative charges under the Master Agreement are reflected in the Workers' Compensation Benefits for State Agencies budget display.

### 3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)

	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
10 Workers' Compensation Benefits	-	-	-	\$1,830,743	\$1,648,148	\$1,354,000
20 Workers' Compensation Program Administration	8,457.0	8,156.8	7,894.6	1,309,290	1,021,338	903,000
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>	<b>8,457.0</b>	<b>8,156.8</b>	<b>7,894.6</b>	<b>\$3,140,033</b>	<b>\$2,669,486</b>	<b>\$2,257,000</b>
<b>FUNDING</b>				<b>2006-07*</b>	<b>2007-08*</b>	<b>2008-09*</b>
0512 Compensation Insurance Fund				\$3,140,033	\$2,669,486	\$2,257,000
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>				<b>\$3,140,033</b>	<b>\$2,669,486</b>	<b>\$2,257,000</b>

Program 10 does not include the cost of benefits for State of California employees. Refer to the Workers' Compensation Benefits for State Agencies for the costs per the state Master Agreement.

### LEGAL CITATIONS AND AUTHORITY

#### DEPARTMENT AUTHORITY

Insurance Code, Division 2, Part 3, Chapter 4, Articles 1-6; and California Constitution, Article 14, Section 4.

\* Dollars in thousands, except in Salary Range.

## 8420 State Compensation Insurance Fund - Continued

### Workers' Compensation Benefits for State Agencies

The following table provides summary data on actual and estimated workers' compensation costs by state agencies for informational purposes. Costs also include administrative charges under the state Master Agreement. All workers' compensation expenditures are included in the individual budgets of the responsible state agency as part of their total personal services benefits.

	2004-2005	2005-2006	2006-2007	2007-2008 <sup>1/</sup>	2008-2009 <sup>1/</sup>
Policy premium cost of insured State Agencies	\$16,258,376	\$6,015,584	\$3,900,991	\$3,900,000	\$3,700,000
Benefits paid by uninsured State Agencies (Exclusive of Payments under Labor Code Section 4800 and Industrial Disability Leave)	352,703,999	326,411,704	336,493,267	345,000,000	355,000,000
Industrial Disability Leave benefits paid by State Agencies	59,666,291	57,143,416	53,452,646	52,000,000	53,000,000
Benefits paid under Labor Code Section 4800:					
California Highway Patrol	10,321,871	8,034,314	4,934,577	4,550,000	4,725,000
Department of Justice	544,366	697,213	607,104	550,000	575,000
Administrative Costs collected under the Master Agreement	56,108,906	60,695,000	68,000,000	72,000,000	76,000,000
<b>TOTAL WORKERS' COMPENSATION COST</b>	<b>\$495,603,809</b>	<b>\$458,997,231</b>	<b>\$467,388,585</b>	<b>\$478,000,000</b>	<b>\$493,000,000</b>
<b>Number of Workers' Compensation Claims</b>					
Industrial Disability Leave:					
Nondisabling	10,833	12,188	9,047	8,500	8,500
Disabling	12,604	12,101	14,913	14,900	15,000
Labor Code Section 4800 (Disabling)					
California Highway Patrol	2,012	1,708	1,121	1,020	1,050
Department of Justice	97	98	83	80	70
<b>Total New Reported Claims</b>	<b>25,546</b>	<b>26,095</b>	<b>25,164</b>	<b>24,500</b>	<b>24,620</b>

<sup>1/</sup> Estimate

Prepared by: State Compensation Insurance Fund, State Contract Services

## 8420 State Compensation Insurance Fund - Continued

## EXPENDITURES BY CATEGORY (Summary By Object)

1 State Operations	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
PERSONAL SERVICES						
Authorized Positions - Salaries and Wages	8,457.0	8,156.8	7,894.6	\$455,628	\$355,426	\$314,244
State Master Agreement (non-add)	(745.8)	(772.7)	(772.7)	-	-	-
Staff Benefits	-	-	-	164,620	128,413	113,534
<b>TOTALS, PERSONAL SERVICES</b>	<b>8,457.0</b>	<b>8,156.8</b>	<b>7,894.6</b>	<b>\$620,248</b>	<b>\$483,839</b>	<b>\$427,778</b>
OPERATING EXPENSES AND EQUIPMENT				\$689,042	\$537,499	\$475,222
<b>TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)</b>				<b>\$1,309,290</b>	<b>\$1,021,338</b>	<b>\$903,000</b>

## DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

<b>1 STATE OPERATIONS</b>	<b>2006-07*</b>	<b>2007-08*</b>	<b>2008-09*</b>
<b>0512 Compensation Insurance Fund</b>			
APPROPRIATIONS			
Insurance Code Sections 11770 and 11800.1	\$1,309,290	\$1,021,338	\$903,000
<b>TOTALS, EXPENDITURES</b>	<b>\$1,309,290</b>	<b>\$1,021,338</b>	<b>\$903,000</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations)</b>	<b>\$1,309,290</b>	<b>\$1,021,338</b>	<b>\$903,000</b>
<b>4 UNCLASSIFIED</b>	<b>2006-07*</b>	<b>2007-08*</b>	<b>2008-09*</b>
<b>0512 Compensation Insurance Fund</b>			
APPROPRIATIONS			
Insurance Code Section 11800.1 Benefits Paid--Workers' Compensation	\$1,830,743	\$1,648,148	\$1,354,000
<b>TOTALS, EXPENDITURES</b>	<b>\$1,830,743</b>	<b>\$1,648,148</b>	<b>\$1,354,000</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)</b>	<b>\$1,830,743</b>	<b>\$1,648,148</b>	<b>\$1,354,000</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Unclassified)</b>	<b>\$3,140,033</b>	<b>\$2,669,486</b>	<b>\$2,257,000</b>

\* Dollars in thousands, except in Salary Range.